UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/1991/30
25 April 1991

ORIGINAL: ENGLISH

Thirty-eighth session
3-21 June 1991, New York
Item 6 of the provisional agenda
UNFPA

POLICY

UNITED NATIONS POPULATION FUND

WORK PLAN FOR 1992-1995 AND REQUEST FOR APPROVAL AUTHORITY

Report of the Executive Director

SUMMARY

This report of the Executive Director is submitted to the Governing Council for its approval in accordance with Governing Council decisions 83/17 III, adopted at its thirtieth session, and 89/46 B, adopted at its thirty-sixth session. It contains the work plan for the years 1992-1995 and as such gives information on UNFPA's resource situation, overall resource utilization and the distribution of programmable resources among country and intercountry activities and services. In accordance with Council decisions, it also provides information on allocations and utilization of resources in 1990. The document concludes with the request for approval authority for the years 1992-1995.

91-13229

CONTENTS

Page

I. UTILIZATION OF RESOURCES IN 1990 3

II. NEW SUBMISSIONS OF COUNTRY AND INTERCOUNTRY PROGRAMMES TO THE COUNCIL AT ITS THIRTY-EIGHTH SESSION 6

III. WORK PLAN FOR 1992-1995 AND REQUEST FOR PROGRAMME EXPENDITURE AUTHORITY 7

A. The work plan, 1992-1995 7

B. Request for programme expenditure authority 19

IV. RECOMMENDATIONS 20

I. UTILIZATION OF RESOURCES IN 1990

1. This report examines the utilization of resources by UNFPA in 1990, applying the measurements of resource utilization adopted by the Governing Council in decision 89/46 B. It also presents information about the size and substantive areas of the proposed country programmes being submitted to the Governing Council in 1991. The report further describes the work plan for 1992-1995 including information about projected resources and the proposed utilization of programmable resources among country and intercountry activities as well as among geographical regions. The report also contains the Executive Director's proposed programme expenditure level for 1992 and the estimates of new programmable resources for the 1993-1995 period in accordance with decision 89/46 B, paragraph 1, of the Governing Council.

2. Thanks to generous voluntary contributions of $205.8 million from Governments, UNFPA's income in 1990 totalled $212.4 million, an increase of $27.2 million over the previous year. This increase was $9.9 million more than had been projected in last year's work plan. The amount realized in interest income, foreign currency exchange gains, miscellaneous and other adjustments totalled $6.6 million in 1990, as compared to $4.5 million in 1989. Thus, the Fund's resources increased for the fourth year in a row. The total year-end allocations to UNFPA programmes and projects in 1990 amounted to $210.9 million, of which $154.2 million (73.1 per cent) was allocated to country activities and $56.7 million (26.9 per cent) to intercountry activities. Total project expenditures in 1990 are estimated at $168.9 million.

Table A. Performance indices for 1989 and 1990

(MILLIONS OF US DOLLARS)

	1989	1990 (PROVISIONAL)
NEW PROGRAMMABLE RESOURCES	134.1	159.9
GOVERNING COUNCIL-ENDORSED PROGRAMMABLE RESOURCES (1)	177.2[A]	165.8[B]
YEAR-END ALLOCATIONS (2)	194.2	210.9
EXPENDITURES (3)	157.4	168.9[C]
PROJECT EXPENDITURE RATE: (3)/(2)	81.1%	80.1%
PROGRAMMED RESOURCE UTILIZATION RATE: (3)/(1)	88.8%	101.9%

(A) SEE DOCUMENT DP/1990/47, TABLE A.
(B) SEE DOCUMENT DP/1990/47, PARAGRAPH 31.
(C) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 77.3 PER CENT FOR COUNTRY ACTIVITIES AND 87.7 PER CENT FOR INTERCOUNTRY ACTIVITIES.

3. As shown in table A, the provisional programmed resource utilization rate[1] for 1990 is 101.9 per cent. This represents the ratio of provisional total programme expenditures of $168.9 million to the Governing Council-endorsed estimate of total programmable resources of $165.8 million. This means that in 1990 UNFPA delivered all programmable resources available (namely, carry-forwards to 1990 and actual new programmable resources of 1990), which were $2.7 million more than the estimate endorsed by the Governing Council last year. In addition, $0.4 million was advanced against the 1991 programmable resources for activities in sub-Saharan Africa, which were implemented at a higher rate than expected.

[1] The Council approved the use of this rate, which was put forth in document DP/1989/34, paragraph 2.

4. As shown in table B, total project expenditures for country activities in 1990 are estimated at $119.2 million and for intercountry activities at $49.7 million. Table B also shows that the percentage of total estimated expenditures for country activities in 1990 (70.6 per cent) exceeded 70 per cent for the first time in recent years.

Table B. Expenditures for country and intercountry activities, 1987-1990

(MILLIONS OF US DOLLARS)

	1987		1988		1989		1990(A)	
ACTIVITIES	($)	(%)	($)	(%)	($)	(%)	($)	(%)
COUNTRY	73.3	68.5%	89.9	69.3%	109.4	69.5%	119.2	70.6%
INTERCOUNTRY (B)	33.7	31.5%	39.8	30.7%	48.1	30.5%	49.7	29.4%
▸ REGIONAL	17.0	15.9%	19.9	15.4%	25.7	16.3%	26.2	15.5%
▸ INTERREGIONAL	16.7	15.6%	19.9	15.3%	22.4	14.2%	23.5	13.9%
TOTAL	107.0	100.0%	129.7	100.0%	157.5	100.0%	168.9	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 77.3 PER CENT FOR COUNTRY ACTIVITIES AND 87.7 PER CENT FOR INTERCOUNTRY ACTIVITIES.

(B) INTERCOUNTRY ACTIVITIES ARE COMPOSED OF REGIONAL AND INTERREGIONAL ACTIVITIES. PERCENTAGES GIVEN FOR REGIONAL AND INTERREGIONAL ACTIVITIES ARE BASED ON THE TOTAL EXPENDITURES FOR COUNTRY AND INTERCOUNTRY ACTIVITIES FOR A GIVEN YEAR.

5. In absolute terms, UNFPA was able to deliver considerably larger resources to projects in 1990 than in any previous year. The $168.9 million in project expenditures in 1990 is $11.4 million more than such expenditures in 1989 (a 7.2 per cent increase) and $39.2 million more than expenditures in 1988 (a 30.2 per cent increase). The expenditures for country projects rose from $109.4 million in 1989 to $119.2 million in 1990, an increase of about 9.0 per cent. Intercountry project expenditures rose from $48.1 million in 1989 to $49.7 million in 1990, an increase of approximately 3.3 per cent. In addition, the provisional data indicate that the amount of resources mobilized for country activities in the sub-Saharan Africa region increased significantly (from $29.3 million to $42.1 million, or 43.7 per cent).

6. Table C presents expenditures for country and intercountry activities for the 1987-1990 period by substantive area. In 1990 the major share (63.1 per cent) of total resources once again went to family planning and closely associated information, education and communication (IEC) activities. While the share of family planning increased modestly from the previous year, the share of resources for programmes that provide critical support for family planning, namely IEC activities, reached its highest level following similar increases in the two preceding years. Additionally, the share of programme resources directed at enhancing the status of women (included in special programmes) increased to its highest level as it had in the two preceding years.

Table C. Expenditures by substantive area for country and intercountry activities, 1987-1990

(MILLIONS OF US DOLLARS)

SUBSTANTIVE AREA	1987		1988		1989		1990(A)	
	($)	(%)	($)	(%)	($)	(%)	($)	(%)
FAMILY PLANNING PROGRAMMES	54.6	51.0%	67.7	52.2%	70.5	44.7%	76.5	45.3%
INFORMATION, EDUCATION & COMMUNICATION	16.6	15.5%	19.1	14.7%	26.6	16.9%	30.1	17.8%
BASIC DATA COLLECTION	9.7	9.1%	13.0	10.0%	18.2	11.6%	17.6	10.4%
POPULATION DYNAMICS	13.2	12.4%	14.3	11.0%	20.4	12.9%	17.3	10.2%
FORMULATION & EVALUATION OF POPULATION POLICIES	8.2	7.7%	9.9	7.6%	12.2	7.7%	14.2	8.4%
IMPLEMENTATION OF POLICIES	0.2	0.2%	0.3	0.2%	0.1	0.0%	0.2	0.1%
MULTISECTOR ACTIVITIES	1.7	1.6%	2.2	1.7%	4.0	2.5%	4.8	2.8%
SPECIAL PROGRAMMES	2.8	2.6%	3.2	2.5%	5.7	3.6%	8.3	4.9%
TOTAL	107.0	100.0%	129.7	100.0%	157.5	100.0%	168.9	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 77.3 PER CENT FOR COUNTRY ACTIVITIES AND 87.7 PER CENT FOR INTERCOUNTRY ACTIVITIES.

7. In terms of expenditures for country activities by functional category, it should be noted that training and technical assistance and backstopping continued to receive the largest proportion of programme resources in 1990, together accounting for 88.8 per cent of the total. These two functional categories also received the largest share of programme resources for intercountry activities, although the percentage (63.8 per cent) was lower than that for country activities. The share for the remaining functional categories -- research, information exchange and others -- accounted for 11.2 per cent for country activities and 36.2 per cent for intercountry activities.

8. Further, it should be noted that approximately $33.6 million, or 67.6 per cent of total expenditures for intercountry activities in 1990 were attributed to specific developing countries in accordance with the methodology approved by the Governing Council in decision 87/30 I.

9. Table D shows expenditures for country activities for the 1987-1990 period by priority country status. The total expenditure of $292.3 million for the four-year period for priority countries constitutes 74.6 per cent of the total expenditures for country activities.

Table D. Expenditures for country activities by priority country status, 1987-1990

(MILLIONS OF US DOLLARS)

	1987		1988		1989		1990(A)	
	($)	(%)	($)	(%)	($)	(%)	($)	(%)
PRIORITY COUNTRIES(B)	54.1	73.8%	66.1	73.5%	83.7	76.5%	88.4	74.1%
NON-PRIORITY COUNTRIES	19.2	26.2%	23.8	26.5%	25.7	23.5%	30.8	25.9%
TOTAL	73.3	100.0%	89.9	100.0%	109.4	100.0%	119.2	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) ESTIMATED BY ASSUMING AN EXPENDITURE RATE OF 77.3 PER CENT.
(B) BASED ON DECISION 88/34 I, PARAGRAPH 6.

II. NEW SUBMISSIONS OF COUNTRY AND INTERCOUNTRY PROGRAMMES TO THE COUNCIL AT ITS THIRTY-EIGHTH SESSION

10. The Executive Director is submitting to the thirty-eighth session of the Governing Council for its approval 16 comprehensive programmes, each for a period of four or five years. The 15 country programmes (5 in sub-Saharan Africa, 3 in Arab States and Europe, 3 in Asia and the Pacific, and 4 in Latin America and the Caribbean) and the intercountry programme total $397.7 million (of which $337.7 million would come from UNFPA regular resources).

11. The distribution of resources for these programmes by substantive programme area, as shown in table E, is in line with the guidelines set by the Governing Council in decision 81/7. For example, family planning activities receive the largest share of resources, accounting for 46.2 per cent of total programme resources, while information, education and communication projects receive 17.6 per cent. Resources for basic data collection and those for population research and policy development activities amount to 8.5 per cent and 14.8 per cent, respectively. Furthermore, in line with UNFPA guidelines as set forth in "An implementation strategy to strengthen the capacity of the Fund to deal with issues concerning women, population and development" (document DP/1987/38), all new country projects take into consideration women as both participants and beneficiaries of population and development activities. In addition, 7.4 per cent of country programme resources will be allocated to special programmes that include projects directly related to improving the status of women.

Table E. New submissions of country and intercountry programmes by substantive area

(MILLIONS OF US DOLLARS)

	($)	(%)
FAMILY PLANNING	183.6	46.2%
INFORMATION, EDUCATION AND COMMUNICATION	69.9	17.6%
BASIC DATA COLLECTION	33.8	8.5%
POPULATION RESEARCH AND POLICY DEVELOPMENT (A)	58.7	14.8%
SPECIAL PROGRAMMES (B)	29.5	7.4%
PROGRAMME RESERVE (C)	22.2	5.6%
TOTAL	397.7	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) INCLUDES POPULATION DYNAMICS, FORMULATION AND EVALUATION OF POPULATION POLICIES AND IMPLEMENTATION OF POLICIES.
(B) INCLUDES WOMEN, POPULATION AND DEVELOPMENT.
(C) INCLUDES MULTISECTOR ACTIVITIES.

III. WORK PLAN FOR 1992-1995 AND REQUEST FOR PROGRAMME EXPENDITURE AUTHORITY

A. The work plan, 1992-1995

12. The work plan of UNFPA is a projected programme of assistance based upon income projections, prior commitments and foreseeable needs over the next four years. Its present format is based on Governing Council decisions 83/17 III, adopted at its thirtieth session, and 89/46 B, adopted at its thirty-sixth session.

13. The work plan refers only to those activities that are funded from UNFPA's general resources (over the period 1987-1990 this constituted 95.4 per cent of UNFPA's resources) and not to those funded from multi-bilateral resources. The rationale for this lies in the fact that in the latter cases ultimate funding decisions are made by the individual multi-bilateral donor country or organization.[1] The work plan summarizes intended funding decisions by UNFPA and thus includes proposals that have been submitted to the Governing Council for its consideration and approval.

14. The work plan contains information on the following subjects:

(a) Estimates of new programmable resources for 1992-1995 by year (paragraphs 16-17);
(b) General considerations in resource distribution (paragraph 18);
(c) Distribution of total programmable resources, 1992-1995, among country and intercountry activities and services (paragraphs 20-22);
(d) Average annual distribution of country activities by region for the years 1992-1995 (paragraph 24);

[1]For recent developments in multi-bilateral funding, see the Report of the Executive Director for 1990, document DP/1991/28(Part III), pages 13-14.

(e) Amounts for country activities already programmed for 1991-1995 (paragraphs 27-28);
(f) Average annual distribution of intercountry activities by region for the years 1992-1995 (paragraph 29).

15. The work plan of UNFPA is a rolling four-year plan. This means that for each new work plan the current year is deleted and one future year is added. Since most programmes and projects last for several years, and since allocations for these programmes and projects are periodically adjusted in accordance with rates of implementation and other factors, the calculation of proportional shares to each major sector, geographical region, country, etc., on the basis of the allocations at year end of any given year alone does not necessarily present the overall picture of the financial status of UNFPA-supported programmes. More important are the new programme decisions being made by UNFPA, even though these new programmes are implemented over a period of several years. Submission of new country programmes described in section II are examples of such new decisions, and they form part of the work plan.

16. The work plan is based on the income assumptions for the period 1992-1995 which, after deducting the administrative and programme support services (APSS) net budget[1] and additions to the operational reserve and to the newly created revolving fund for construction,[2] determine the estimates of new programmable resources. For the work plan for 1992-1995, the Executive Director estimates the income of 1992 at $262 million as the base and applies a constant annual rate of increase of 10 per cent for 1993-1995. The income projection for the work plan is based on the recent trend in the growth of the resource base of UNFPA, which increased on average by 11.0 per cent each year between 1987 and 1990 (11.5 per cent from 1986 to 1987, 14.0 per cent from 1987 to 1988, 4.0 per cent from 1988 to 1989, and 14.7 per cent from 1989 to 1990). The projection also takes into consideration preliminary indications from major donor countries about their pledges for 1992. UNFPA further anticipates increases in pledges from its traditional donors in the future because of the growing consensus among all countries of the need to devote more resources for population activities in developing countries. Moreover, the annual rates of increase used in earlier work plans tended to be conservative and overcautious, and the Executive Director recommends continuing to adopt a more pro-active, yet prudent, approach in resource planning, as reported to the Governing Council in 1990 (document DP/1990/47). The new programmable resources, as presented in table F, are calculated on the basis of these assumptions. Whereas the income for 1992-1995 is projected to increase on average by 10 per cent a year, the APSS gross budget is projected to increase by 6 per cent a year for the same period.

17. The Council, at its thirty-sixth session, in decision 89/49, paragraph 16, decided that with effect from 1989, the level of the operational reserve should be set at $45 million and that this level should be reviewed at the thirty-eighth session of the Council. The amount of $45 million was 25 per cent of the expected voluntary contributions for 1989 of $180 million. Delegates observed at the thirty-sixth session that by decision 81/7 III, paragraph 5, the Council had set the level at 25 per cent of contributions. They felt that in view of UNFPA's high liquidity position there was no need for an increase in the operational reserve proportional to increases in contributions to UNFPA. In the meantime, however, the situation has changed considerably, and the Executive Director proposes not only to increase the level of the operational reserve but also to again set that level as a percentage of contributions. One important reason for increasing the operational reserve is to protect the UNFPA programme against unfavourable fluctuations in the exchange rate of US dollars. The Fund is particularly vulnerable to such fluctuations since roughly 75 per cent of its contributions are pledged in currencies other than US dollars. Another reason for a considerable increase in the operational reserve is the fact that the level of the reserve needs to be seen in the context of expected increases in income. That is, the higher the expected increases in income, the greater is the risk that these increases will not be realized in full. This is precisely the type of contingency against which the operational reserve is designed to protect. The Executive Director believes that an operational reserve of 20 per cent is the minimal amount needed to ensure

---

[1] The net budget is the gross budget for administrative and programme support services less projected agency support costs to UNFPA for procurement services to government projects and for overhead charges assessed by UNFPA to government-executed projects. UNFPA is proposing that agency support costs be reclassified under the programme costs (see document DP/1991/35).

[2] Background information on this inter-agency arrangement for renovation and construction of field offices is presented in UNFPA's budget estimates for the 1992-1993 biennium (see documents DP/1991/36 and Add.1).

that UNFPA can provide the level of resources required to meet its programme obligations. Since the income of UNFPA is expected to increase from $212.4 million in 1990 to $349 million in 1995, an increase of 64 per cent, the operational reserve must increase in each year to maintain the 20 per cent level. Hence, the Executive Director proposes increases of the operational reserve as follows:

from 1991 to 1992 by $7 million,
from 1992 to 1993 by $6 million,
from 1993 to 1994 by $5 million,
from 1994 to 1995 by $7 million.

18. Table F shows the estimated new programmable resources for the period of 1992-1995 to be $964.5 million. By contrast, the new programmable resources for the previous four-year work plan period were $775.8 million.[1] These resources will be used in accordance with the following instructions by the Council:

(a) Considerably increased support to countries in the sub-Saharan Africa region through country and regional activities;

(b) Support to programmes and projects in priority countries at a level of four fifths of allocations to country activities;

(c) Continued emphasis on projects in the complementary areas of family planning and information, education and communication;

(d) Considerably increased support to programmes and projects that improve the role and status of women through country and intercountry activities;

(e) Support to country programmes and projects approved by the Council as scheduled in the individual country submissions;

(f) Levels of allocations to individual countries on the basis of the eight specific criteria mentioned in Council decision 81/7 I, paragraph 8.

[1] See document DP/1990/47, table H. The figure does not include agency support costs.

Table F. New programmable resources for 1992 - 1995

(MILLIONS OF US DOLLARS)

	1992	1993	1994	1995	1992-1995
INCOME	262.0	288.0	317.0	349.0	1,216.0
(1) APSS NET BUDGET (A)	(51.2)	(53.8)	(56.4)	(60.1)	(221.5)
(2) ADDITION TO THE OPERATIONAL RESERVE	(7.0)	(6.0)	(5.0)	(7.0)	(25.0)
(3) ADDITION TO THE REVOLVING FUND	(2.5)	(2.5)			(5.0)
SUBTOTAL (1) + (2) + (3)	(60.7)	(62.3)	(61.4)	(67.1)	(251.5)
AVAILABLE AS NEW PROGRAMMABLE RESOURCES	201.3	225.7	255.6	281.9	964.5

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) GROSS BUDGET FOR ADMINISTRATIVE AND PROGRAMME SUPPORT SERVICE LESS PROJECTED SUPPORT COST TO UNFPA FOR PROCUREMENT SERVICES TO GOVERNMENTS PROJECTS AND FOR OVERHEAD CHARGES BY UNFPA TO GOVERNMENT-EXECUTED PROJECTS.

19. By their very nature, all figures in the work plan are tentative, notably for the following reasons:

(a) As in the case of the 1990 work plan, the income estimates of the current work plan for the years 1992-1995 do not include a contribution from the United States Government. If and when the United States Government decides once again to contribute to UNFPA, the income estimates would have to be revised upwards. In addition, the income estimates would have to be adjusted during the course of the plan period as the value of the US dollar fluctuates;

(b) The Council has given UNFPA broad guidelines and priorities to be mindful of in allocating resources by geographical criteria (quantitative targets for country versus intercountry activities, and percentage of total resources to be allocated for priority countries[1]) as well as for each of the different work plan categories, such as family planning; information, education and communication; etc.;

(c) While UNFPA intends to allocate the major portion of its resources for country activities through country programmes approved by the Council, the formulation as well as implementation of projects in these programmes is sometimes delayed considerably. In such cases, a portion of the resources reserved for a specific country programme for a particular period may be made available for activities in other countries.

20. Table G shows the planned distribution of total programmable resources during the work plan period 1992-1995. It does not project any carry-forwards of resources from 1991 to 1992. The total programmable resources available were estimated at $964.5 million (an annual average of $241.1 million).

[1]It should be recalled that the Council raised the percentage of total resources to be allocated for priority countries to 80 per cent, in decision 88/34 I, paragraph 6.

Table G. Distribution of programmable resources among country and intercountry activities and services, 1991-1994 and 1992-1995

(MILLIONS OF US DOLLARS)

	1991-1994			1992-1995		
	TOTAL ($)	ANNUAL ($)	AVERAGE (%)	TOTAL ($)	ANNUAL ($)	AVERAGE (%)
(1) COUNTRY ACTIVITIES	580.4[A]	145.1	67.9%	647.9	162.0	67.2%
(2) TECHNICAL SUPPORT SERVICES				89.4	22.4	9.3%
(3) INDIRECT ADMINISTRATIVE SERVICES	70.0[B]	17.5	8.2%	49.2	12.3	5.1%
(4) REGIONAL ACTIVITIES	116.1[A]	29.0	13.6%	66.4	16.6	6.9%
(5) INTERREGIONAL ACTIVITIES	87.8[A]	22.0	10.3%	111.6	27.9	11.6%
(6) INTERCOUNTRY ACTIVITIES (4)+(5)	203.9[A]	51.0	23.9%	178.0	44.5	18.5%
(7) TOTAL (1)+(2)+(3)+(6)	854.3[C]	213.6	100.0%	964.5[D]	241.1	100.0%

NOTE: FIGURES MAY NOT ADD UP TO TOTALS DUE TO ROUNDING.

(A) SEE DOCUMENT DP/1990/47, TABLE I.
(B) AGENCY SUPPORT COSTS ESTIMATED ON THE BASIS OF THE RATIO BETWEEN THE AGENCY SUPPORT COSTS AND PROJECT EXPENDITURES FOR 1989. SEE DOCUMENT DP/1990/54.
(C) INCLUDES ESTIMATED CARRY-FORWARDS OF $8.5 MILLION FORM 1990 TO 1991.
(D) NO CARRY-FORWARDS PROJECTED FROM 1991 TO 1992.

21. The planned distribution of total programmable resources for 1992-1995 among country and intercountry activities (regional and interregional activities) and services takes into consideration the needs in each of these areas. According to this plan, country activities will account for 67.2 per cent of the total programmable resources during 1992-1995, proportionately almost the same as in the previous plan for 1991-1994. In absolute terms, the resources intended for country activities will increase to $647.9 million for the four-year period 1992-1995, an average of $162.0 million a year, from $580.4 million, or $145.1 million a year for the 1991-1994 period. This amounts to an average increase in the resources intended for country activities of $16.9 million per year. In addition, the major portion of the proposed Technical Support Services is directly related to country activities, namely technical advisers to assist in the implementation of country programmes and projects.

22. Under the proposed Technical Support Services, out of 156 proposed technical professionals (average), 44 posts (28 per cent) are agency headquarters specialists/coordinators and 112 posts (72 per cent) are for country programme technical support teams. Thus it is estimated that $25.0 million of allocations for Technical Support Services (2.6 per cent of the programmable resources) would be used for headquarters technical backstopping and $64.4 million (6.7 per cent of the programmable resources) for country programme technical support. The indirect administrative services costs will be based on country projects. Currently it is agreed that this will amount to 6 per cent of the project costs but the rate may change subject to the result from the ongoing Cost Measurement Study being made by UNDP. The $49.2 million (or 7.6 per cent of resources for country activities) for indirect administrative services includes a provision for this possible future increase. After transforming the technical assistance and backstopping, which is the largest component of current intercountry activities, into the Technical Support Services, the resultant intercountry activities look quite different from those in the previous work plan. Also, the proposed resource utilization plan takes into

consideration the proposed intercountry programme being submitted to the Council this year (document DP/1991/29). Regional and interregional activities will account for 6.9 per cent and 11.6 per cent, respectively, for the 1992-1995 period, a major decline from the 13.6 per cent for regional activities and an increase from the 10.3 per cent for interregional activities planned for the previous planning period of 1991-1994. The resources for intercountry activities, even though difficult to compare, will decrease considerably from $203.9 million to $178.0 million, or from 23.9 per cent to 18.5 per cent of total expenditures.

23. Table H presents a resource utilization pattern for country activities by region from 1987 to 1995. It contains:

(a) Expenditures for country activities by region from 1987 to 1990;
(b) The average intended distribution for 1991-1994 as reported in the work plan of 1990 (document DP/1990/47);
(c) The average intended distribution for 1992-1995 now being proposed.

The table shows a continuous increase in the resources allocated for country activities since 1987. Figure 1 presents a graphic summary of this programming trend.

24. The average annual increase in the work plan for 1992-1995 of $16.9 million in resources intended for country activities will be distributed among the four regions as follows: sub-Saharan Africa, $7.0 million; Asia and the Pacific, $5.7 million; Arab States and Europe, $2.1 million; and Latin America and the Caribbean, $2.1 million. The increase in resources to sub-Saharan Africa is in conformance with recent Council decisions 87/30, 88/34, 89/46 and 90/35. It also reflects UNFPA's continued efforts to give priority to countries in sub-Saharan Africa, particularly in view of the deteriorating demographic and socio-economic conditions in many parts of the region, the large number of priority countries there (31 countries), and these countries' growing absorptive capacity to utilize population assistance. With the additional $5.7 million per year over last year's work plan, the Asia and Pacific region, with average annual resources of $67.7 million, will remain the largest in the Fund, accounting for 41.8 per cent of total UNFPA resources intended for country activities. As for the Arab States and Europe, and Latin America and the Caribbean, the proportion of the additional resources essentially remains constant, although each will receive an increase in resources in absolute terms.

25. One significant long-term trend of the Fund's country activities is a steady and substantial increase in support to the countries of sub-Saharan Africa. UNFPA support for African countries increased from $18.9 million in 1987 to $42.1 million in 1990 and is expected to increase to $54.6 million per year in the 1992-1995 period. It should be emphasized that the 43.7 per cent increase from 1989 to 1990 was made possible because of the growing absorptive capacity of countries in the region. In terms of the proportion of UNFPA resources going to country activities, the share for sub-Saharan Africa grew from 25.7 per cent of the total in 1987 to 35.3 per cent in 1990 and is expected to be 33.7 per cent in the period 1992-1995. Country activities in Asia and the Pacific in the period 1987-1990 amounted to $176.3 million, which is 45 per cent of the Fund's total programme expenditures for country activities. The average annual expenditures for this region increased from $35.2 million in 1987 to $48.2 million in 1990 and is expected to grow to $67.7 million in the period 1992-1995. The average annual expenditures for the Arab States and Europe rose from $9.0 million in 1987 to $15.2 million in 1990 and is projected to be $19.8 million in 1992-1995. The corresponding figures for Latin America and the Caribbean were $10.3 million in 1987 and $13.7 million in 1990. The projected annual resources for this region in the period 1992-1995 are $19.9 million.

Table H. Intended country activities by region for the periods 1991-1994 and 1992-1995 compared with expenditures, 1987-1990

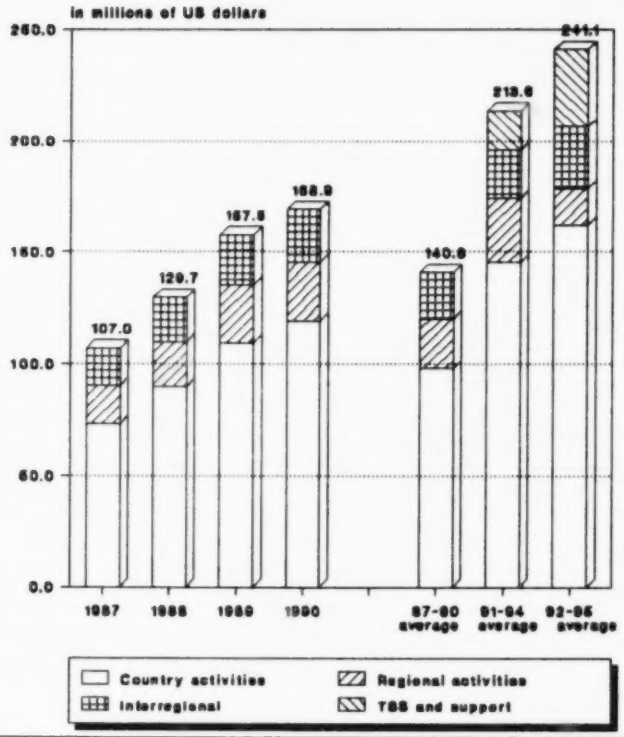
(MILLIONS OF US DOLLARS)

	1987 EXPENDITURE		1988 EXPENDITURE		1989 EXPENDITURE		1990 (A) EXPENDITURE		1991-1994 (B)		1992-1995	
									ANNUAL AVERAGE	% OF COUNTRY ACTIVITY RESOURCE	ANNUAL AVERAGE	% OF COUNTRY ACTIVITY RESOURCE
	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)
AFRICA (SUB-SAHARAN)	18.9	25.7%	23.4	26.0%	29.3	26.8%	42.1	35.3%	47.6	32.8%	54.6	33.7%
ARAB STATES AND EUROPE	9.0	12.3%	12.0	13.4%	13.6	12.4%	15.2	12.7%	17.7	12.2%	19.8	12.2%
ASIA AND THE PACIFIC	35.2	47.9%	41.4	46.1%	51.5	47.0%	48.2	40.5%	62.0	42.7%	67.7	41.8%
LATIN AMERICA/CARIBBEAN	10.3	14.0%	13.0	14.5%	15.1	13.8%	13.7	11.5%	17.8	12.3%	19.9	12.3%
TOTAL	73.3	100.0%	89.9	100.0%	109.4	100.0%	119.2	100.0%	145.1	100.0%	162.0	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) ESTIMATED BY ASSUMING AN IMPLEMENTATION RATE OF 77.3 PER CENT FOR COUNTRY ACTIVITIES.
(B) SEE DOCUMENT DP/1990/47, TABLE J.

/...

Figure 1. Distribution of programmable resources, actual and projected



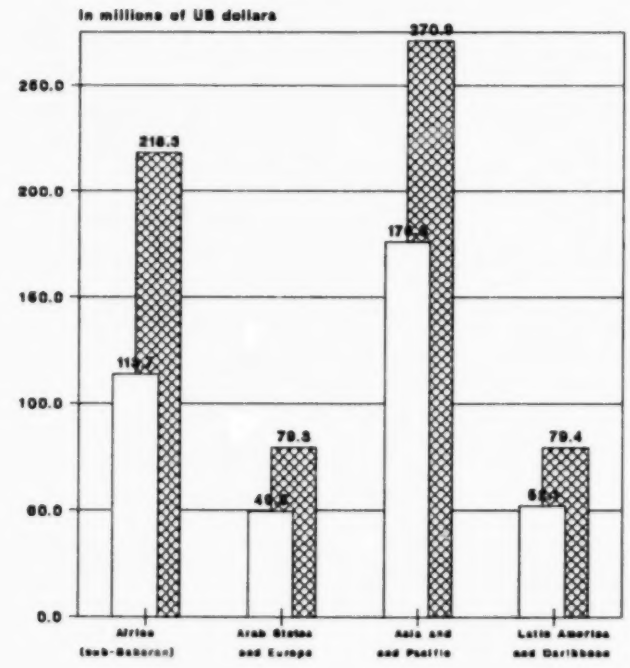
26. The emphasis given to country activities in the proposed work plan is further evident when such activities are compared with those during the period 1987-1990. For example, the proposed distribution of resources for African country activities, $218.3 million, or 33.7 per cent of the total resources for country activities in the period of 1992-1995, constitutes an increase of $104.6 million, or about 92.0 per cent, over the period 1987-1990. The resources to be allocated to Asia and the Pacific will be $270.9 million, an increase of $94.6 million, or approximately 53.7 per cent, over the period 1987-1990. The other two regions will have roughly similar shares, each of about $79 million, or about 12 per cent of country programme resources. This constitutes a 59 per cent increase over expenditures for 1987-1990 for Arab States and Europe and a 52 per cent increase for Latin America and the Caribbean. Figure 2 provides a graphic presentation of this programming trend by comparing country activities by region for 1987-1990 and 1992-1995.

27. Based on an analysis of the status of financial implementation of UNFPA programmes and projects, the balance of commitments (regular funds) to country programmes approved by the Governing Council is estimated to be $406.0 million for 1991-1995;[1] including the new programmes being submitted to the Governing Council at this session (see document DP/1991/31, table C). Of the $793.0 million intended for country activities between 1991 and 1995,[2]

[1] Six of the country programmes are scheduled to be completed in 1996.

[2] The sum of $145.1 million for 1991, the annual average of intended country activities for 1991-1994, and $647.9 million, intended country activities for 1992-1995 (see table G).

Figure 2. Country activities by region expenditures 1987-90 & workplan 1992-95



therefore, $406.0 million, or 51.2 per cent, has already been programmed through country programmes and projects that have either been approved by the Council at earlier sessions or are being submitted to the Council at the thirty-eighth session (see table 1). It should be noted that the percentage is based on the five-year period including 1991 rather than the work plan period 1992-1995. By comparison, the rate reported in last year's work plan was 65.6 per cent (document DP/1990/47, table K).

28. In the Latin American and Caribbean region, 76.1 per cent of the expected resources for country activities in 1991-1995 have already been programmed. This is due to the fairly large amount of resources committed to country programmes that have recently been or are being submitted to the Council. It also reflects the Fund's accelerated programming in the Latin American and Caribbean region in recent years. Similarly, in the Asia and Pacific region, 64.4 per cent of the expected resources for country activities in 1991-1995 have already been programmed.

Table I. Intended country activities for 1991-1995 and amounts already programmed with percentage shares

(MILLIONS OF US DOLLARS)

	TOTAL COUNTRY ACTIVITIES	AMOUNT ALREADY PROGRAMMED AND PERCENTAGE OF THAT AMOUNT BY REGION		AMOUNT ALREADY PROGRAMMED AS PERCENTAGE OF REGION TOTAL
	1991-1995	1991-1995		
	($)	($)	(%)	(%)
AFRICA (SUB-SAHARAN)	265.9	75.6	18.6%	28.4%
ARAB STATES AND EUROPE	97.0	41.8	10.3%	43.1%
ASIA AND THE PACIFIC	332.9	214.5	52.8%	64.4%
LATIN AMERICA AND THE CARIBBEAN	97.2	74.0	18.2%	76.1%
TOTAL	793.0	406.0	100.0%	51.2%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

29. With regard to intercountry activities, the Executive Director proposes to distribute $66.4 million for regional activities for the work plan period (table G), and to increase the intended resources for interregional activities from $87.8 million to $111.6 million. In terms of proportion of total programmable resources, intercountry resources for the period of 1992-1995, as shown in tables G and J, will be distributed as follows: 6.9 per cent for regional activities and 11.6 per cent for interregional activities. Overall, this amounts to 18.5 per cent of all UNFPA programmable resources, a smaller proportion than that in the 1990 work plan of 23.9 per cent. One significant aspect in this proposal is that the resources for regional activities will decrease in absolute terms, as well as in proportional terms, while those for interregional activities will increase both absolutely and as a percentage. This proportion of resource distribution among intercountry activities has taken into consideration the proposed Technical Support Services, which separates technical advisory services from intercountry activities. Regional activities, because of their geographical and cultural proximity, are expected to contribute greatly to strengthening the institutional capacity of developing countries, especially in sub-Saharan Africa.

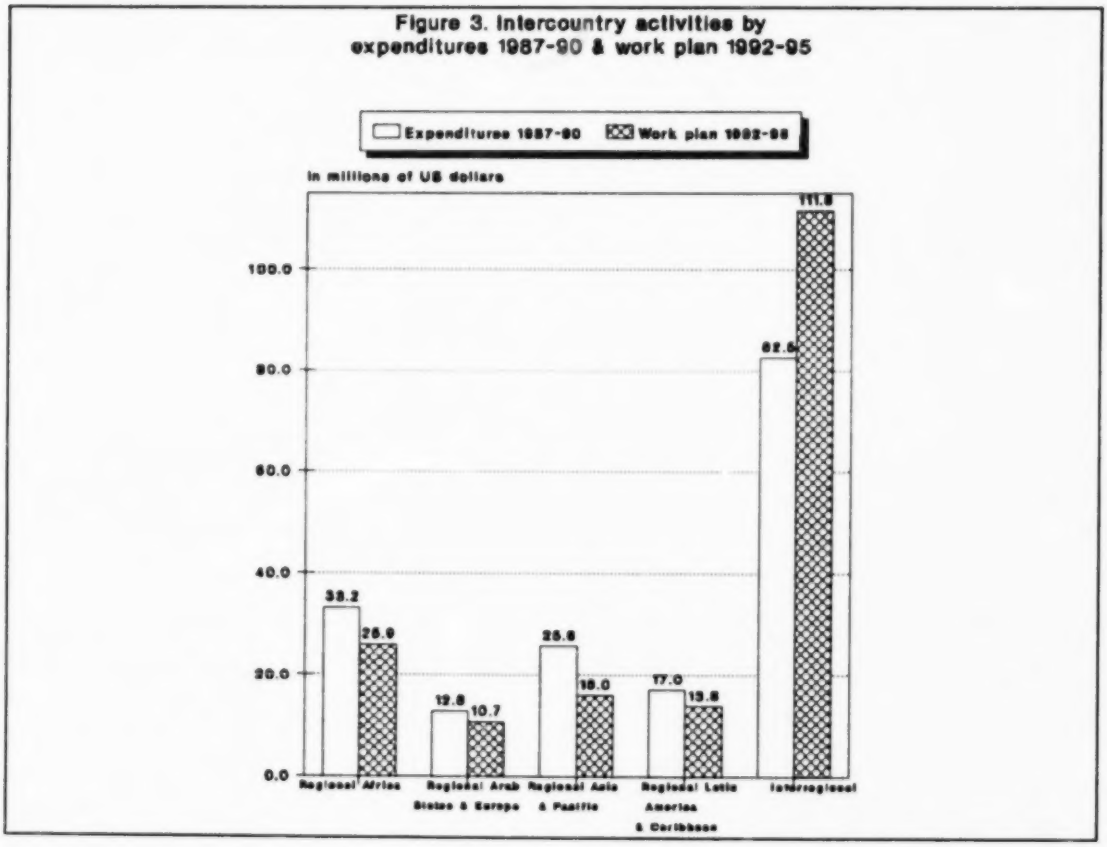
Table J. Intended intercountry activities by region for the periods 1991-1994 and 1992-1995 compared with expenditures, 1987-1990

(MILLIONS OF US DOLLARS)

	1987 EXPENDITURE		1988 EXPENDITURE		1989 EXPENDITURE		1990 (A) EXPENDITURE		1991-1994 (B)		1992-1995	
									ANNUAL AVERAGE	% OF INTERCOUNTRY ACTIVITY RESOURCE	ANNUAL AVERAGE	% OF INTERCOUNTRY ACTIVITY RESOURCE
	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)
AFRICA (SUB-SAHARAN)	5.9	17.6%	7.8	19.6%	9.8	20.3%	9.7	19.6%	12.3	24.1%	6.5	14.6%
ARAB STATES AND EUROPE	2.3	6.8%	2.7	6.9%	3.9	8.1%	3.9	7.9%	4.1	8.0%	2.7	6.0%
ASIA AND THE PACIFIC	5.9	17.6%	5.2	13.1%	6.7	13.8%	7.8	15.8%	8.2	16.0%	4.0	9.0%
LATIN AMERICA/CARIBBEAN	2.8	8.4%	4.2	10.4%	5.3	11.1%	4.7	9.5%	4.5	8.8%	3.5	7.8%
REGIONAL SUB-TOTAL	17.0	50.4%	19.9	50.0%	25.7	53.4%	26.2	52.7%	29.0	56.9%	16.6	37.3%
INTERREGIONAL ACTIVITIES	16.7	49.6%	19.9	50.0%	22.4	46.6%	23.5	47.3%	22.0	43.1%	27.9	62.7%
INTERCOUNTRY TOTAL	33.7	100.0%	39.8	100.0%	48.1	100.0%	49.7	100.0%	51.0	100.0%	44.5	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) ESTIMATED BY ASSUMING AN IMPLEMENTATION RATE OF 87.7 PER CENT FOR INTERCOUNTRY ACTIVITIES.
(B) SEE DOCUMENT DP/1990/47, TABLE L.

/...



30. Table J also indicates that the actual resources allocated to interregional activities were $82.5 million, or 48.2 per cent of the total intercountry resources of $171.3 million for the period 1987-1990. However, the resources intended for interregional activities for 1992-1995 will be $111.6 million, or 62.7 per cent of the total, an increase of 14.5 per cent. As figure 3 depicts, while Africa and Asia accounted for $33.2 million or 19.4 per cent of the total resources and $25.6 million or 14.9 per cent, respectively, in the 1987-1990 period, sub-Saharan Africa will receive the largest regional share of $25.9 million in 1992-1995, or 14.6 per cent of the intercountry programme resources of $178.0 million. Resources for regional activities in Asia will amount to $16.0 million, or 9.0 per cent of total. The Latin America and Caribbean region and the Arab States and Europe region will receive resources of $13.8 million and $10.7 million, respectively.

/...

B. Request for programme expenditure authority

31. At its thirty-sixth session the Governing Council endorsed the proposal by the Executive Director that the approval authority be set at the level of programme expenditure she is authorized to make in the first year of the four-year work plan period, which will be reviewed, revised and updated yearly, on a rolling basis. The programme expenditure level is equivalent to the total programmable resources, which are the sum of the new programmable resources and carry-forwards (a surplus or a deficit) from the previous year. The requested programme expenditure authority refers only to new programmable resources since the expenditure authority for the carry-forwards has already been given in previous years. The Executive Director estimates the revised total programmable resources available in 1991 to be $171.3 million (including projected deficit carry-forwards of $0.4 million). The total programmable resources available in 1992 is projected to be $201.3 million (no carry-forwards projected).

32. The Executive Director further proposed and the Governing Council endorsed (see paragraph 1 of decision 89/46 B) at its thirty-sixth session that forward approval be at the levels of the estimates for new programmable resources for the subsequent three years of the work plan period. Table K presents the estimates for new programmable resources for 1993-1995 as well as the proposed new programme expenditure level for 1992, which is equivalent to the total new programmable resources for 1992. The estimate for 1993, which will be adjusted if necessary, will become the basis for the approval authority for that year when the new work plan covering the period 1993-1996 is submitted to the Council in 1992.

Table K. Proposed programme expenditure level for 1992 and estimates for new programmable resources for 1993-1995

(MILLIONS OF US DOLLARS)

	1992	1993	1994	1995	TOTAL 1992-1995
TOTAL NEW PROGRAMMABLE RESOURCES (A)	201.3	225.7	255.6	281.9	964.5

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) SEE TABLE F OF THIS REPORT.

33. As reported to the Governing Council at its last session, UNFPA continues to set a programme ceiling within the Fund in order to monitor the level of allocations and achieve maximum resource utilization by the end of each year while maintaining financial control. The programme ceiling is a useful and practical internal management tool to ensure prudent financial practice and maximum financial accountability. The programme ceiling is adjusted not only on the periodically revised income projections and resulting new programmable resources but also on the programme dynamics in various regions.

34. Moreover, it should be reiterated that UNFPA is further strengthening its capacity to monitor and control programme expenditures in order to manage resources against the uncertainties and fluctuations in contributions. This is being enhanced in part through the ongoing development and strengthening of the Fund's management information

system as reported to the Governing Council in document DP/1989/42 and in document DP/1990/51. This will, among other things, facilitate more timely and more up-to-date reviews of progress made in programme implementation against the plan, which will enable UNFPA to anticipate deviations and to take corrective actions more quickly and decisively. Furthermore, as mentioned earlier, the work plan is to be revised each year on a rolling plan basis to reflect the latest income estimates and to determine the level of programme expenditures in future years.

IV. RECOMMENDATIONS

35. The Executive Director recommends that the Governing Council:

(a) Endorse the Executive Director's programme resource planning proposals set out in paragraphs 12 to 34;

(b) Set the level of the operational reserve at 20 per cent of estimated income for each year and approve the proposed additions to the operational reserve of $7 million, $6 million, $5 million and $7 million for the years 1992, 1993, 1994 and 1995, respectively;

(c) Approve the request for the new programme expenditure level in the amount of $201.3 million for 1992;

(d) Endorse the use of the following estimates for new programmable resources for the 1993-1995 period: $225.7 million for 1993; $255.6 million for 1994; and $281.9 million for 1995.

- - - -